



# 2012 ANNUAL RESIDENTIAL GROWTH FORECAST

Years 2013 Through 2017

*November 16, 2012*

## **INTRODUCTION**

As a component of the City of Chula Vista's Growth Management Program, the city's Development Services Department provides annual residential growth forecasts looking out five years into the future. This year's growth forecast covers the period from November 2012 through December 2017.

As part of the city's annual growth management review process, the growth forecast is provided to assist city departments and other service agencies in assessing potential impacts that growth may have on maintaining compliance with quality of life threshold standards associated with each of the facilities or improvements listed below:

1. Air Quality
2. Drainage
3. Fire and Emergency Medical
4. Fiscal
5. Libraries
6. Parks and Recreation
7. Police
8. Schools
9. Sewer
10. Traffic
11. Water

The Chula Vista Growth Management Oversight Commission (GMOC) annually sends out the growth forecast and compliance questionnaires to city departments and service agencies, soliciting information regarding past, current and projected compliance with the quality of life threshold standards for the facilities and services listed above. The responses to the questionnaires form a basis for the GMOC's annual report, which includes a set of recommendations to the City Council regarding maintenance and/or revisions to each of the city's threshold standards. Recommendations may include such actions as adding or accelerating capital projects; hiring personnel; changing management practices; slowing the pace of growth; or considering a moratorium. The City Council ultimately decides what course of action to take.

To prepare the growth forecast, the city solicits projections from developers and builders, which encompasses residential projects that have been or are undergoing the entitlement process, and could potentially be approved and permitted for construction within the next five years. These projects are under the city's control with respect to the standard entitlement process time frames. As such, these numbers do not reflect market or other economic conditions outside the city's control.

Commonly referred to as the "growth management" or "GMOC" forecast, it is important to note that the housing market is influenced by a variety of factors outside the city's control, and this forecast:

- Does not represent a goal or desired growth rate;
- Is what may occur given a set of assumptions listed on page 3;
- Is produced by the city and not necessarily endorsed by home builders; and
- Represents a "worst-case" or more liberal estimate to assess maximum possible effects to the city's threshold standards.

Last year's growth forecast estimated that 371 building permits would be issued for single-family units in 2012. As of November 15, 2012, 281 permits had been pulled. For multi-family units, 990 building permits were projected, and 456 had been pulled. Nearly all of the building activity was in the master planned communities in eastern Chula Vista (the area east of Interstate 805). Residential infill and redevelopment in western Chula Vista was minimal.

## **FORECAST SUMMARY**

Over the next twelve months (January – December 2013), as many as 1,389 housing units could be permitted for construction in eastern Chula Vista, with just five projected in western Chula Vista (see Figures 1 and 2).

In the five-year forecast period (calendar years 2013 through 2017), eastern Chula Vista could have as many as 8,196 housing units permitted (averaging 1,639 annually), and development in western Chula Vista could pick up significantly, with as many as 907 units permitted (averaging 181 annually). The total number of units permitted citywide would be 9,103, with an annual average of 1,820 housing units permitted per year (see Tables 1 and 2).

Using more aggressive development figures in this forecast allows the City of Chula Vista to evaluate the maximum likely effect this growth would have on maintaining the quality of life, and the ability to provide concurrent development of necessary public facilities and services.

The following discussions and figures describe the context, conditions and assumptions behind the forecast, and are provided to further qualify that this forecast is a "worst case" planning tool and not a prediction or specific expectation.

## **FORECAST INFORMATION**

Projections are derived primarily from approved development plans, and estimated project processing schedules for project plan reviews, subdivision maps, and building plans.

The forecast is predicated upon the following five assumptions:

1. That public policy regarding development remains otherwise unchanged;
2. That the Growth Management Program's threshold standards are not exceeded;
3. That the housing market continues to revive;
4. That entitlement processing for Otay Ranch areas subject to recent Land Offer Agreements is completed as anticipated; and
5. That projects follow normal project regulatory processing schedules.

### **Eastern Chula Vista**

As noted above, most of the city's growth has been and will continue to be in eastern Chula Vista (see Figure 4) for the next several years, where numerous companies, particularly in Otay Ranch Villages 2 and 7, own property. As in 2012, the majority of building activity in 2013 is projected to occur in Eastlake and in Otay Ranch Village 2 (see Table 1).

In Otay Ranch Villages 2, 7 and 11, entitlements for the 2013 projected single- and multi-family developments have been secured by various developers, including Baldwin & Sons, JPB, Shea, and McMillin. In addition, Sunwood Otay, LLC is projecting 16 single-family units in 2013 and they expect to sell 200 plus lots to developers in subsequent years. Development of those lots is not forecasted in the near term; however, that is likely to change when the properties are acquired by development interests. Entitlements are also in place for Bella Lago, Rolling Hills Ranch and Eastlake's Olympic Pointe and Summit.

In Village 3 North, JPB is projecting a total of 255 units in 2014, with several hundred more in subsequent years. In Village 8 East, JPB projects another 805 units between 2016 and 2017. And in Village 8 West, Otay Land Company projects 810 by 2017, beginning with 35 units in 2014.

The 180 Millenia multi-family units McMillin previously projected for 2013 have been moved to 2014, however, along with 186 additional units, for a total of 366. Another 932 Millenia units receiving zoning level entitlement are projected between 2015 and 2017.

As of November 2012, the remaining capacity for residential units that could be permitted in eastern Chula Vista is approximately 20,222, based on the city's 2005 General Plan. If 8,196 units were permitted over the next five-year forecasted period, 12,026 units would remain. At that rate of growth, the capacity could potentially be built out around 2030. However, potential General Plan amendments in the future could result in additional units added to the inventory of housing units, thereby extending the build-out timeframe.

### **Western Chula Vista**

Western Chula Vista has not shown significant increases in housing since the city's growth management program was instituted in the late 1980's. This situation is slowly changing, with growing interest in infill and redevelopment and density increases updated in the 2005 General Plan and the Urban Core Specific Plan (UCSP).

Three large multi-family projects recently receiving entitlements are projected for 2014, including: Urbana at H Street between Third and Fourth Avenues (167 units); The Colony at 435 Third Avenue (162 units) and a project at 1130 Fifth Avenue (137 units).

In August, 1,500 multi-family units received zoning level entitlement at the city's bayfront when the California Coastal Commission approved the San Diego Unified Port District and City of Chula Vista Bayfront Master Plan. The first 200 units are projected to be developed in 2016.

### **Residential Construction History**

As depicted on Table 3, the number of building permits issued for housing units in Chula Vista has fluctuated from a few hundred units a year to over 3,000, with an average of approximately 1,238 units per year over the last 30 years. Several market cycles have occurred, including recessions of the early 1980's (averaging 330 units/year) and 90's (averaging 693 units/year) and a downward trend in the number of units permitted between 2005 and 2009. The number of units is currently on an upward trend, with the number doubling from 2009 (275) to 2010 (500), and 737 units being issued in 2012, thus far, up

9 units from 2011 (see Figure 3). A record 3,525 unit permits issued in 2001 represents a peak of residential permits that is not likely to return.

Between the years 1996 and 2001, the number of building permits issued for housing units steadily increased from about 1,000 units to the peak 3,525 units. A significant part of this is attributable to the onset of construction in Eastlake, Otay Ranch and other eastern Chula Vista master planned communities. During the construction boom years from 2001-2006, the average annual number of units receiving permits for construction was approximately 2,200.

## **FORECASTED POPULATION**

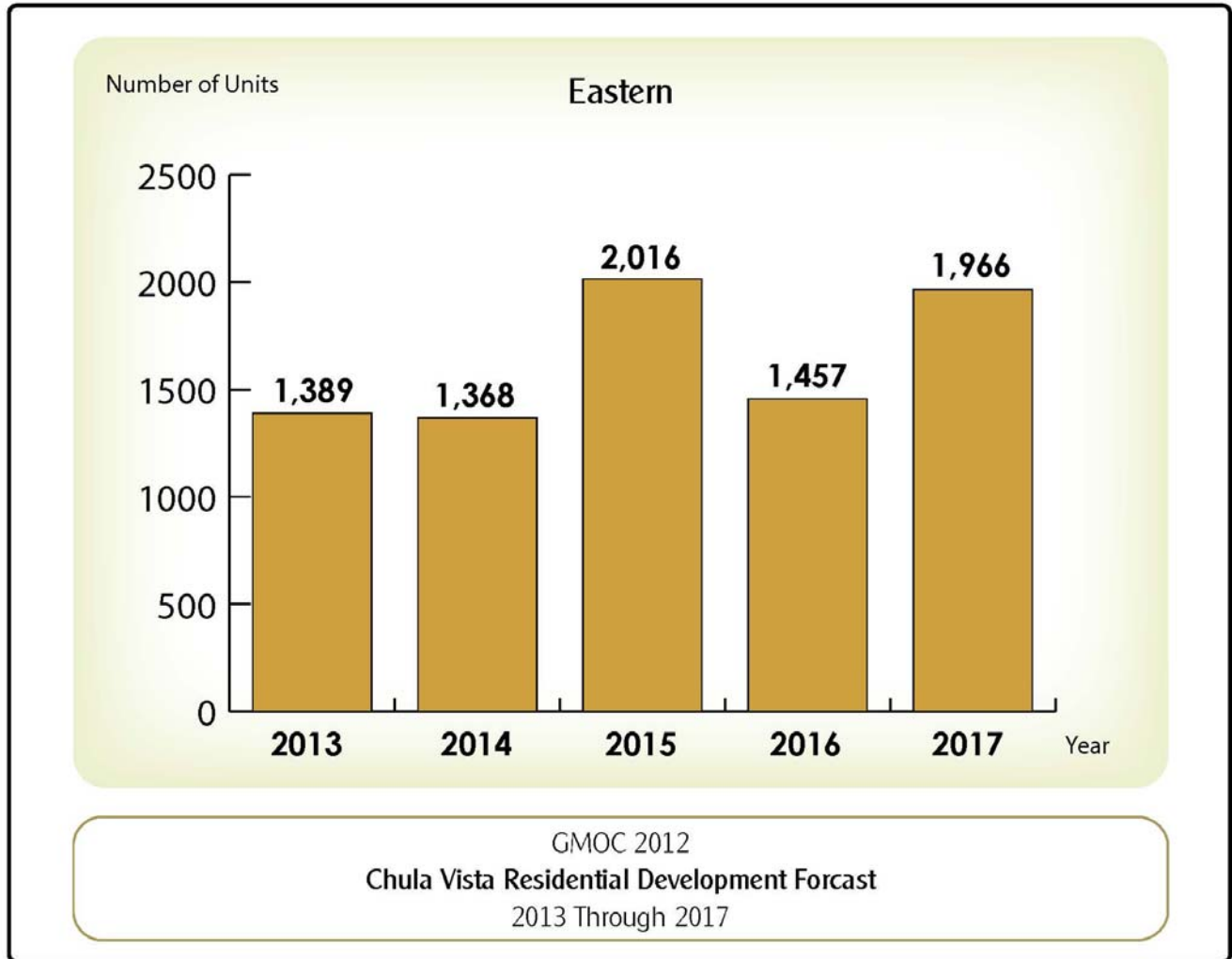
This forecast focuses on the projected number of residential units as the primary indicator to measure future population increases. Western Chula Vista (as evidenced by U.S. Census data) has been undergoing growth in the form of demographic changes as the average household size increases; however, such growth is difficult to track on a year-to-year basis and is not reflected in this report's future population forecast.

The California State Department of Finance estimates that Chula Vista has an average of 3.24 persons per household. Assuming that this estimate remains valid over the next five years, and assuming a 4.91% vacancy rate, Chula Vista can expect a total population of approximately 279,608 persons by the end of 2016. This is based on the following:

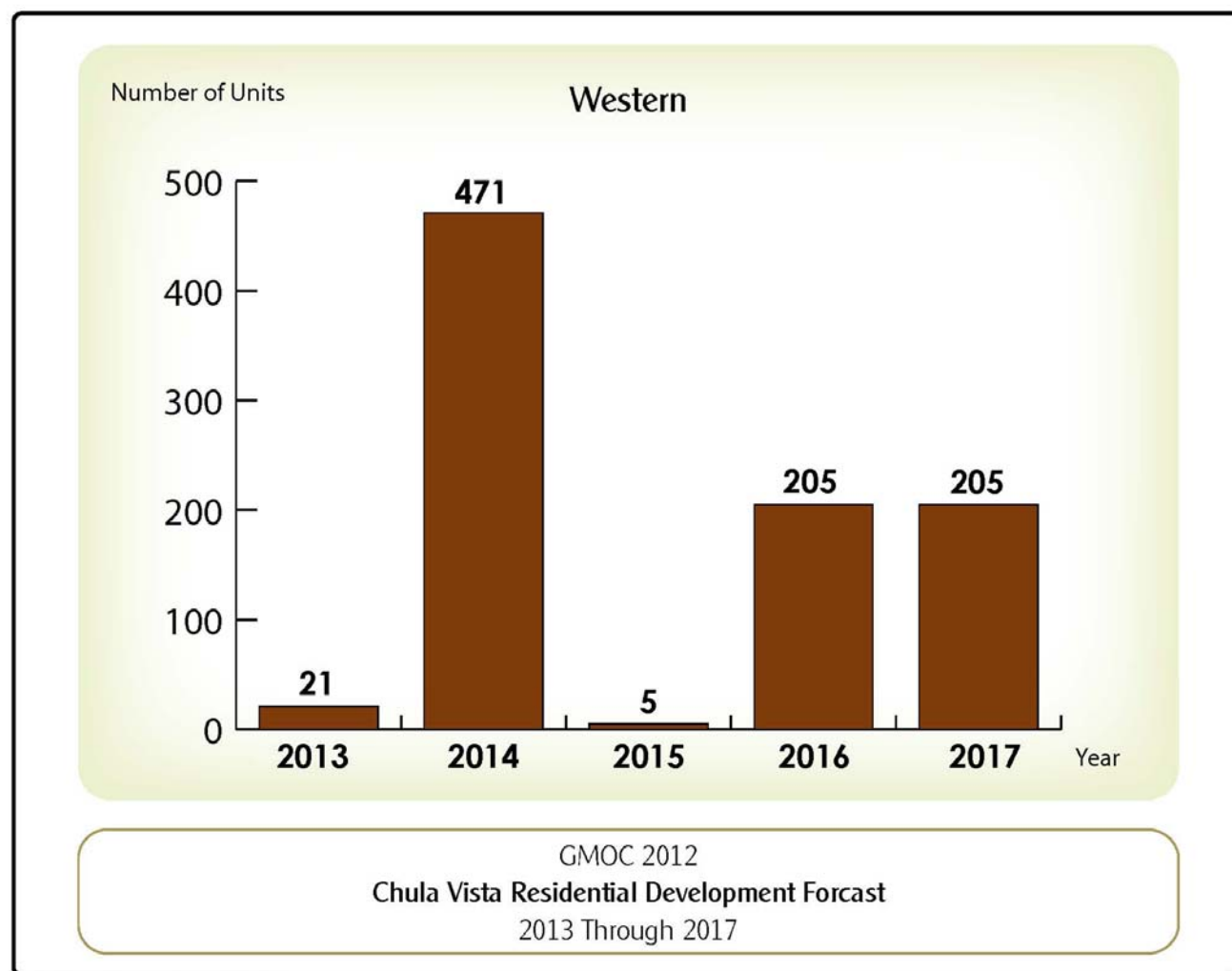
- The California State Department of Finance (DOF) estimated Chula Vista's population on January 1, 2012 as 249,382;
- An additional 708 units were occupied from January 1, 2012 to November 2012; and
- An additional 9,103 units may be permitted between November 2012 and December 2017.

This is only a rough estimate for planning purposes, as the vacancy rate, persons per unit factors, and the number of actual units completed may vary.

**Figure 1**

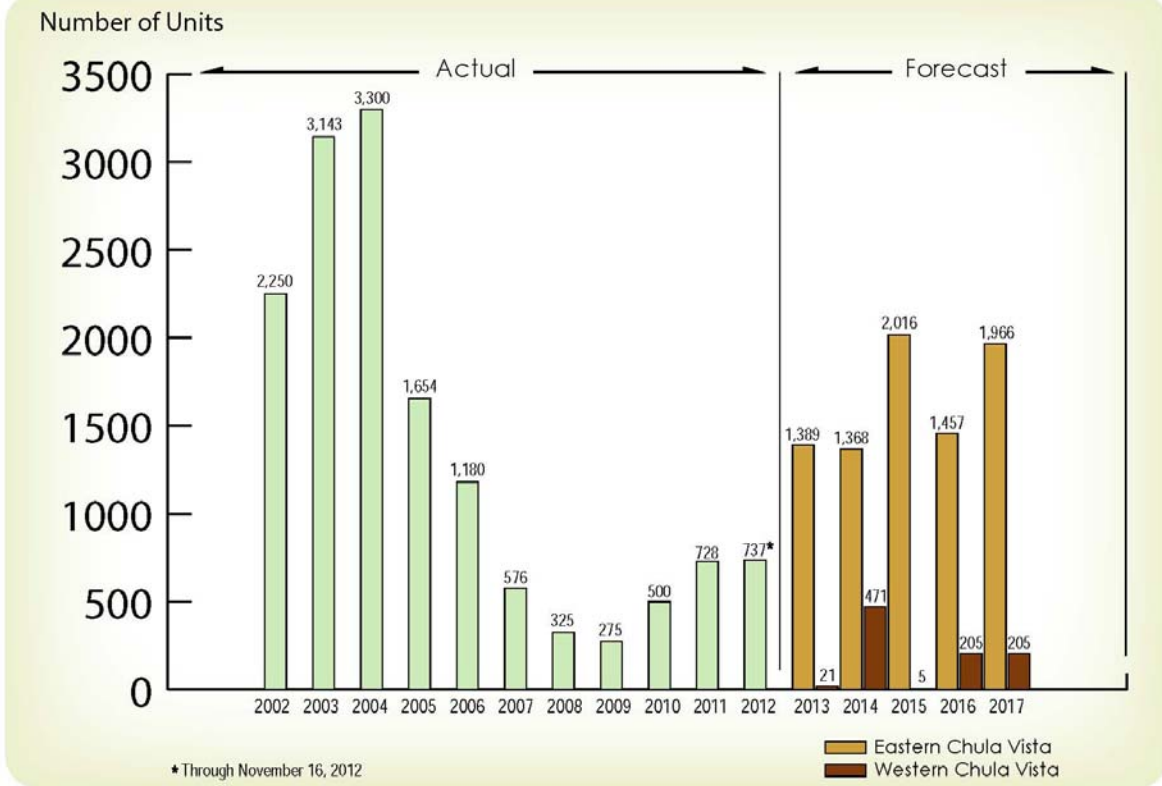


**Figure 2**



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**Figure 3**

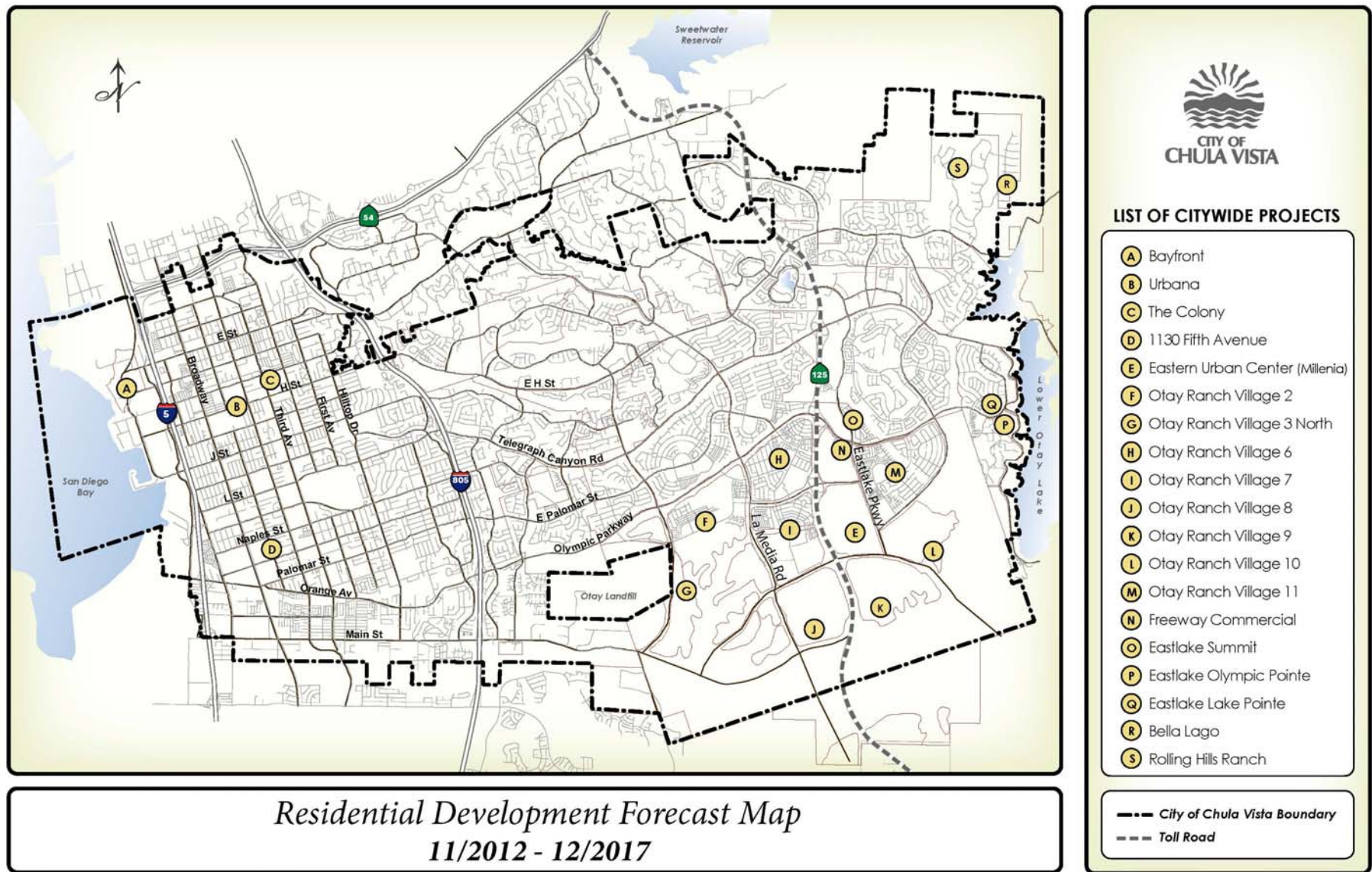


GMOC 2012  
**Residential Units Receiving Building Permits**  
 Issued 2002 - 2012, and Forecast 2013 - 2017

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**Figure 4**  
**Residential Development Forecast Map**



**Table 1**

**GMOC 2013 - EASTERN CHULA VISTA RESIDENTIAL DEVELOPMENT FORECAST**  
November 2012 - December 2017

PROJECT	NOV. 2012. - DECEMBER 2013		JAN. - DECEMBER 2014		JAN. - DECEMBER 2015		JAN. - DECEMBER 2016		JAN. - DECEMBER 2017		Five Years Forecast NOV. 2012 - 2017	
	ISSUE*		ISSUE*		ISSUE*		ISSUE*		ISSUE*		ISSUE*	
	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF
<b>OTAY RANCH</b>												
Village 2 - Baldwin & Sons	132	412	117	144	122	152	97	55	27	30	495	793
Village 2 - JPB	75	170	57	60	0	36	0	0	0	0	132	266
Village 2 - Sunwood Otay, LLC	16	0	0	0	0	0	0	0	0	0	16	0
Village 3 North - JPB	0	0	130	125	300	250	300	250	300	250	1,030	875
Village 6 - Marquis II - Oakwood (R15B)	0	55	0	55	0	0	0	0	0	0	0	110
Village 7 - Baldwin & Sons	2	0	1	0	0	0	0	0	0	0	3	0
Village 7 - McMillin	50	0	0	0	0	0	0	0	0	0	50	0
Village 7 - Shea	0	92	0	37	0	29	0	0	0	0	0	158
Village 8 East - JPB	0	0	0	0	0	0	130	125	300	250	430	375
Village 8 West - Otay Land Co.	0	0	10	25	50	175	60	200	50	240	170	640
Village 9 - Otay Land Co.	0	0	0	0	0	0	0	0	40	175	40	175
Village 11 - Shea	0	10	0	0	0	0	0	0	0	0	0	10
Freeway Commercial - Baldwin & Sons	0	0	0	0	0	510	0	0	0	0	0	510
Eastern Urban Center (Millenia) - McMillin	0	0	0	366	0	392	0	240	0	300	0	1,298
<b>Otay Ranch Sub-Total</b>	<b>275</b>	<b>739</b>	<b>315</b>	<b>812</b>	<b>472</b>	<b>1,544</b>	<b>587</b>	<b>870</b>	<b>717</b>	<b>1,245</b>	<b>2,366</b>	<b>5,210</b>
<b>EASTLAKE</b>												
Greens (The Summit)- Cornerstone	0	57	0	0	0	0	0	0	0	0	0	57
Vistas (Olympic Pointe)- Integral Communities	0	247	0		0	0	0	0	0	0	0	247
Vistas (Lake Pointe)- Integral Communities	0	0	0	225	0	0	0	0	0	0	0	225
<b>Eastlake Sub-total</b>	<b>0</b>	<b>304</b>	<b>0</b>	<b>225</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>529</b>
BELLA LAGO - Shea	19	0	16	0	0	0	0	0	0	0	35	0
BELLA LAGO LLC	0	0	0	0	0	0	0	0	4	0	4	0
<b>Bella Lago Sub-total</b>	<b>19</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>39</b>	<b>0</b>
ROLLING HILLS RANCH - McMillin	42	0	0	0	0	0	0	0	0	0	42	0
ROLLING HILLS RANCH - Van Daele	10	0	0	0	0	0	0	0	0	0	10	0
<b>SUB-TOTAL</b>	<b>346</b>	<b>1,043</b>	<b>331</b>	<b>1,037</b>	<b>472</b>	<b>1,544</b>	<b>587</b>	<b>870</b>	<b>721</b>	<b>1,245</b>	<b>2,457</b>	<b>5,739</b>
<b>TOTAL UNITS</b>	<b>1,389</b>		<b>1,368</b>		<b>2,016</b>		<b>1,457</b>		<b>1,966</b>		<b>8,196</b>	

Annual Average: **1639**

**Table 2**

**GMOC 2013 - WESTERN CHULA VISTA RESIDENTIAL DEVELOPMENT FORECAST**

**November 2012 - December 2017**

											Five Years Forecast	
PROJECT	NOV. 2012 - DECEMBER 2013		JAN. - DECEMBER 2014		JAN. - DECEMBER 2015		JAN. - DECEMBER 2016		JAN. - DECEMBER 2017		NOV. 2012 - 2017	
	ISSUE*		ISSUE*		ISSUE*		ISSUE*		ISSUE*		ISSUE*	
	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF
Bayfront (Pacifica)	0	0	0	0	0	0	0	200	0	200	0	400
Urbana (H St. between Third Av. and Fourth Av.	0	0	0	167	0	0	0	0	0	0	0	167
Tamarindo (35 Tamarindo)	16	0	0	0	0	0	0	0	0	0	16	0
The Colony (435 Third Ave)	0	0	0	162	0	0	0	0	0	0	0	162
1130 Fifth Avenue	0	0	0	137	0	0	0	0	0	0	0	137
Second Accessory Units	5	0	5	0	5	0	5	0	5	0	25	0
SUB-TOTAL	21	0	5	466	5	0	5	200	5	200	41	866
TOTAL UNITS	21		471		5		205		205		907	
Annual Average:											181	

\*ISSUE = Building Permit

**Table 3**

**HISTORIC HOUSING AND POPULATION GROWTH  
CITY OF CHULA VISTA 1980 – NOVEMBER 2012**

CALENDAR YEAR	Units Authorized for Construction (Issued)	Units Completed (Finaled)	Certified Year End Population (State D.O.F.) (1)		
			No.	% Change	
1980	407	374	84,364		
1981	195	496	86,597	2.6%	
1982	232	129	88,023	1.6%	
1983	479	279	89,370	1.5%	
1984	1,200	521	91,166	2.0%	
1985	1,048	1,552	116,325	27.6%	(2)
1986	2,076	1,120	120,285	3.4%	
1987	1,168	2,490	124,253	3.3%	
1988	1,413	829	128,028	3.0%	
1989	1,680	1,321	134,337	4.9%	
1990	664	1,552	138,262	2.9%	
1991	747	701	141,015	2.0%	
1992	560	725	144,466	2.4%	
1993	435	462	146,525	1.4%	
1994	700	936	149,791	2.2%	
1995	833	718	153,164	2.3%	
1996	914	820	156,148	1.9%	
1997	1,028	955	162,106	3.8%	
1998	1,339	1,093	167,103	3.1%	
1999	2,505	1,715	174,319	4.3%	
2000	2,618	2,652	181,613	4.2%	
2001	3,525	3,222	191,220	5.3%	
2002	2,250	2,923	200,798	5.0%	
2003	3,143	2,697	208,997	4.1%	
2004	3,300	3,043	217,512	4.1%	
2005	1,654	2,525	224,006	3.0%	
2006	1,180	1,448	227,850	1.7%	
2007	576	837	231,157	1.5%	
2008	325	518	234,011	1.2%	
2009	275	398	244,269	4.4%	
2010	517	422	245,987	0.7%	
2011	728	631	249,382	1.4%	
2012	737	708	251,563	0.9%	(3)
Annual Average	1,226	1,237	5,067	2.6%	(4)

(1) Reflects Department of Finance (DOF) comprehensively revised population figures for the end of the referenced year.

(2) Montgomery Annexation

(3) Population estimates are subject to change and refinement. They assume a 4.91% vacancy rate and 3.24 persons per unit, and are estimated prior to California Department of Finance (DOF) estimates, available in 2013.

(4) The annual average percentage is adjusted for the anomaly of the Montgomery Annexation.

*Five-Year Growth Forecast, November 2012*

